

Tax Anticipation



Tax Anticipation Notes



Department Description

This department finances costs related to the issuance of Tax Anticipation Notes, which are necessary to meet the cash requirements of the City prior to receipt of property taxes. Monies are borrowed via the sale of Tax and Revenue Anticipation Notes (TRANS) on a short-term basis. Related costs are budgeted and accounted for in this program.

Department Summary

Tax Anticipation Notes				
	FY 2006 BUDGET	FY 2007 BUDGET	FY 2008 PROPOSED	FY 2007-2008 CHANGE
Positions	0.00	0.00	0.00	0.00
Personnel Expense	\$ -	\$ -	\$ -	\$ -
Non-Personnel Expense	\$ 2,130,000	\$ 2,130,000	\$ 6,656,442	\$ 4,526,442
TOTAL	\$ 2,130,000	\$ 2,130,000	\$ 6,656,442	\$ 4,526,442

Department Expenditures

	FY 2006 BUDGET	FY 2007 BUDGET	FY 2008 PROPOSED
TAX AND REVENUE ANTICIPATION NOTES FUND			
Tax Anticipation Notes			
Tax Anticipation Notes	\$ 2,130,000	\$ 2,130,000	\$ 6,656,442
Total	\$ 2,130,000	\$ 2,130,000	\$ 6,656,442

Tax Anticipation Notes

Significant Budget Adjustments

TAX AND REVENUE ANTICIPATION NOTES FUND

Tax Anticipation Notes	Positions	Cost	Revenue
Support for Debt Service Requirement	0.00 \$	4,526,442 \$	4,518,942
Reflects an increase in the required debt service payment and associated revenue.			

Expenditures by Category

	FY 2006 BUDGET	FY 2007 BUDGET	FY 2008 PROPOSED
NON-PERSONNEL			
Supplies & Services	\$ 2,130,000	\$ 2,130,000	\$ 6,656,442
SUBTOTAL NON-PERSONNEL	\$ 2,130,000	\$ 2,130,000	\$ 6,656,442
TOTAL	\$ 2,130,000	\$ 2,130,000	\$ 6,656,442

Tax Anticipation Notes

Revenue and Expense Statement (Non-General Fund)

TAX AND REVENUE ANTICIPATION NOTES FUND
65013

	FY 2006* BUDGET	FY 2007* BUDGET	FY 2008* PROPOSED ⁽¹⁾
BEGINNING BALANCE AND RESERVE			
Reserve for Encumbrances	⁽¹⁾ \$ 17,500	\$ 17,500	\$ -
TOTAL BALANCE	\$ 17,500	\$ 17,500	\$ -
REVENUE			
General Fund Transfer Interest Earnings	\$ -	\$ -	\$ 3,556,119
TRAN Interest Earnings	\$ 2,137,500	\$ 2,137,500	\$ 3,100,323
TOTAL REVENUE	\$ 2,137,500	\$ 2,137,500	\$ 6,656,442
TOTAL BALANCE AND REVENUE	\$ 2,155,000	\$ 2,155,000	\$ 6,656,442
OPERATING EXPENSE			
Cost of Issuance	\$ 130,000	\$ 130,000	\$ 105,000
TRAN Debt Service Interest	\$ 2,000,000	\$ 2,000,000 ⁽²⁾	\$ 6,551,442 ⁽³⁾
TOTAL OPERATING EXPENSE	\$ 2,130,000	\$ 2,130,000	\$ 6,656,442
TOTAL EXPENSE	\$ 2,130,000	\$ 2,130,000	\$ 6,656,442
BALANCE	\$ 25,000	\$ 25,000	\$ -
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 2,155,000	\$ 2,155,000	\$ 6,656,442

* At the time of publication audited financial statements for Fiscal Year 2006 were not available. Therefore, the Fiscal Years 2006 and 2007 columns reflect final budget amounts from the Fiscal Year 2006 and 2007 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

(1) To Cover Costs of Issuance. (2) To meet the City's Fiscal Year 2007 cash flow needs, the City Council, on June 7, 2006 (Resolution R-301527), approved a privately placed note purchase agreement with Bank of America for an amount of 142 million. The same is projected for Fiscal Year 2008. (3) For Revenue and Expense Statement purposes, Fiscal Year 2008 Issuance assumes same TRAN sizing; and year-end projected interest earnings and costs as Fiscal Year 2007 Issuance; The actual amount of borrowing and structure of the Fiscal Year 2008 TRAN will be known in May, 2007.

